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Chapter 8

Studying Contamination Effects in Multi-Level Systems of Governance: First Thoughts about Hypotheses and Research Design

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Introduction

In many political reforms around the globe we observe a common trend that might be characterized as ‘decentralization’ or ‘devolution’. Through recasting constitutions, creating sub-national legislatures or simply through devolving more and more administrative responsibilities to already existing sub-national authorities those political reforms try to bring the government home ‘to the people’. The coming-home of the government is seen by many as a way to improve responsiveness and heighten the democratic quality and the (out-put oriented) legitimacy of the political system by trying to match policy output more closely to citizen’s preferences. It is also seen as injecting new lifeblood into the political process because multi-level systems offer political actors potential new arenas in which to compete, as the enthusiastic proponents suggest.

Most European democracies employ a multi-level system of governance. They provide several challenges and important opportunities for electoral accountability and for our understanding of representative democracy. Nevertheless multi-level systems of governance also raise serious concerns about their democratic deficit. Not only citizens but also elected MPs find it hard to attribute responsibility to certain actors correctly when actual policy-making processes are obfuscated by the number of state and non-state actors, lobbyists, specialists and the like who participate in it. This, of course, has important consequences for the legitimacy of the policy-making process.

It remains an open question as to how effective the various mechanisms of democratic control over such policy-making processes can be and under what conditions multi-level systems will ever be able to fulfill their promises in overcoming the democratic deficit and bringing government home to the people. Under what conditions and in what ways can citizens hold which political actors accountable and what are the political consequences of this situation? My argument will be that we cannot reliably answer these questions if we do not understand how citizens make decisions in the context of a multi-level system and particularly how they judge the performance of governments on various levels in their decision-making process.

All too often outcomes of elections are interpreted as if these elections had been held in isolation – without referring to their status in a multi-level system of governance. We speak of “contamination effects” or “interaction effects” between two electoral arenas if the null hypothesis of independence between both arenas cannot be sustained, i.e., when one electoral arena “contaminates” the result in another electoral arena. For instance, the national electoral stage might have implications for a sub-national electoral stage, or presidential elections might have an impact on parliamentary elections (or vice versa). Nevertheless, political scientists have yet to build a body of knowledge about why or when one electoral arena plays a larger or

smaller role in shaping other electoral arenas – an important first step in understanding the complex nature of preference aggregation in representative democracies through popular elections and accountability in systems of multi-level governance. In what follows I will briefly summarize my first attempts to structure the literature and the hypotheses therein as well as those I have developed myself. Finally, I will present some ideas on how to draft a research design for a grant proposal to test those hypotheses in a comparative setting.

Individual Decision-making Process in Multi-level Systems

Under what conditions do voters distinguish between national and sub-national policy responsibilities and employ them systematically in their decision-making calculus? In a multi-level system of governance, in which national and sub-national elections need not necessarily be concurrent, voters may cast their votes to bring about a level-specific executive. Citizens might base their decision-making process on different determinants in different elections even for the (more or less) same set of parties. Do voters differentiate between national and sub-national elections? Do their decisions have the same dynamics or are they systematically different? Under what conditions are these processes linked and what political implication does this have for election outcomes, party strategies and so forth?

In what follows I will distinguish previous research into two strands: unitarists and federalists. The unitarists make assumptions which draw heavily on the referendum voting model (Key 1964, Kramer 1971, Tufte 1978) which suggests that electoral outcome at all levels of governance depend on the performance of the national government. The more popular the national government is the more likely voters are to cast their vote for the incumbents. Thus even co-partisans of the national government are expected

to do well in state elections when times are good. Following this line of thought, strong hierarchical contamination effects are expected. The national arena contaminates the sub-national arena (although there is some evidence of 'reverse-coattail' effects in which sub-national performance assessments influence the individual decision-making process in national elections; see e.g. Gélinau and Remmer 2005). Without spelling out the micro foundations very clearly the literature on political cycles and second-order elections (van der Eijk and Franklin 1996; Kousser 2004; Reif and Schmitt 1980; Schmitt 2005) also employs the same assumptions regarding the impact of the national arena on sub-national elections. Voters use sub-national elections to punish or reward the national government, employing their current evaluation of the national government as a heuristic. They can punish their governments either by not going to vote for them the next time around or, particularly if there are identifiable alternatives, by registering a vote for a viable alternative. Moreover, McDonald and Budge (2005) find that, independently of their performance in office, incumbents lose on average about 2.3 percent. Thus, some of the negative effects in the literature that are typically attributed to bad performance by the incumbent at the national level, might capture the long run dynamics of electoral cycles (Anderson 2007). Apart from some evidence on the macro-level, we have not really identified on the individual-level the mechanisms that generate these dynamics.

The second strand of the literature comprises the federalists. Their mantra is that for state-specific questions voters require state-specific answers. Voters want to have things done differently at the state level and therefore employ different criteria or respond to cues that differ from the well-studied national-level ones (e.g. Abedi und Siaroff 1999; Jeffrey und Hough 2001; Pallares und Keating 2003; Selb 2006). Following this line of research the national arena is not expected to contaminate the sub-national arena. State elections should be determined by state-level factors. If the federalists are

correct then we should find that political parties at the state-level have a tendency to deviate from the national party line in order to formulate specific policy proposals for the sub-national level. Parties might also employ different campaign strategies in order to compete effectively at different levels of governance, which has implications for potential coalition formation processes as well.

Both literatures agree that what we know from electoral behavior research in single-level elections is that individual vote-choice decisions depend not only on national performance evaluations, as the unitarists suggest, or on sub-national factors, as the federalists recommend, but on preferences for parties, candidates and issues.

I am interested not only in individual-level determinants but in the conditions under which the national arena has an impact on the sub-national arena. The size of a contamination effect should depend on how difficult it is to correctly attribute policy responsibility to particular political actors in the policy-making process. The assignment of responsibility is a necessary condition for accountability. But more often than not voters misattribute responsibilities for governmental actions and thus hold an actor accountable for something he or she is not responsible for. In multi-level systems of government, policy-making responsibility is often shared across or even within levels of governance through mechanisms such as coalition governments and split executives (cohabitation or divided government).

Powell and Whitten (1993) show that a country's formal institutional structure moderates the extent to which citizens can hold their incumbents responsible. Further studies, all operating on the macro-level, support the notion (Anderson 1995; Chappell and Veiga 2000; Lewis-Beck and Paldam 2000; Nadeau, Niemi, and Yoshinaka 2002; Whitten and Palmer 1999) that the nature of clarity of responsibility within the national government moderates the extent to which citizens hold national governments

responsible. This literature mostly employs measures of national economic conditions but one could simply use popularity data.

Multi-level systems of governance undermine the potential for citizens to hold policy makers accountable (retrospectively) or provide (pre-electoral) coalitions with a clear mandate (prospectively) to govern. The actual division of power is potentially spread out vertically (lower vs. upper house) and horizontally (national vs. sub-national). Thus multi-level systems of governance impose high informational demands because the clarity of responsibility is diffused. Moreover, in order to form prospective or retrospective evaluations, citizens need to somehow distinguish the track record of the executive at different levels. Moreover, multi-level systems imply multiple elections. In particular, if these elections are not held at the same time, the likelihood of voter fatigue among satisfied voters as well as increased turnout rates among protest voters is high, yielding hard-to-predict election outcomes at the sub-national level.

As well as having an impact on the voter side multi-level systems of governance provide incentives for policy makers to engage in systematic credit-taking or blame-shifting across levels of governance (Anderson 2006). These actions make it even more difficult for citizens to correctly attribute blame and credit for the past or expected future performance of particular policy makers. Without a particular supportive electoral context, elections become clumsy instruments with which to hold policy makers accountable within a multi-level system of governance.

While in terms of legitimacy voters are free to misattribute credit and blame and to decide to reward or punish the incumbent on whatever basis (Manin 1997), institutions that blur responsibilities are more problematic because voters are stuck with them. Thus, I expect to find strong contamination effects when the clarity of responsibility is high. Under such conditions non-sophisticated voters are not expected to distinguish between

national and sub-national policy responsibilities while sophisticated voters might have the capability and motivation to do it.

A basic assumption is that the limited capacity and motivation to absorb complex information about politics (such as how federalism actually works) into the decision-making process necessarily implies that we could reasonably expect that heuristic performance or popularity judgments about the government are all that should have an impact on an individual's decision-making process and all we could reasonably expect. Reward or punishment attributions as an electoral mechanism for holding governments accountable would be most likely to be detectable in general performance evaluations of the government. By doing this even politically innocent citizens have a legitimate way to hold the government accountable retrospectively, or to provide them with a mandate prospectively.

At the individual-level the clarity of responsibility argument should therefore focus on heuristics. For instance in concurrent elections the national agenda is likely to dominate the media and voters might therefore find it easier to make evaluations of the national government or other national-level determinants than to access sub-national factors.

Another heuristic is provided by the political composition of the national and the sub-national levels of government. If both governments are held by the same parties then the attribution of responsibility is potentially easier. In this case voters really do not need to know much about the structure and rules of the political process in a multi-level system. The same parties are responsible for the policy output and are likely to be punished or rewarded depending on citizens' performance evaluations of the government. Using data from eight Berlin state elections between 1976 and 2001 I can provide the first evidence for these heuristics (Gschwend 2007).

Envisioned Research Design

So far there is not much comparative research out there. Instead, most of the studies focus on the aggregate level in a particular country. The lack of data availability hinders individual-level studies, let alone comparative approaches on this level. State-level elections are so far not well studied but they are necessary for our understanding of accountability in multi-level systems. If there is individual-level data at all than there are single-shot pre-election studies. These studies can provide us with evidence about micro-level determinants and micro-foundations of the aggregate-level studies. Nevertheless, the establishment of causality is not straightforward in cross-sectional data. Thus the observed relationships remain pretty silent in terms of one's ability to interpret them causally. Even if we find that partisanship and regional or national performance evaluations do determine vote choice, to what degree are they independent of one another? It is certainly conceivable that performance evaluations are biased by partisanship in the same way that evaluations of the state of the economy are biased (see Anderson et al. 2004; Wlezien et al. 1997) or, on the other hand, performance indicators may systematically bias a voter's answer to party preference evaluations (which would provide an incentive for politicians to make good policy and govern effectively). If the sub-national track record does not have an impact on vote-choice decisions then why should regional governments bother to work hard? (Should questions of this sort be systematically asked of members of state parliaments?)

There is a real need to separate these factors out, and hence I make a plea for gathering panel data within an election cycle between two national (and sub-national) elections. It is also not clear what the benchmark election is for those citizens' evaluations. So far most of the literature simply assumes that Presidential elections have an impact on Congressional elections, national on sub-national elections and so forth. If voters find the local situation more

easily accessible than the national one then this assumption is questionable. There is also research arguing that coattail effects might actually be reversed (Ames 1994; Gélinau and Remmer 2005; Samuels 2000). Therefore sub-national performance evaluations should be included in the survey (on or off-line, depending on funding).

Since parties do typically make the first move in dealing with various incentives in multi-level systems, a systematic analysis of party policy at the national, compared to the sub-national level, and possibly a separate study of the attitudes of members of parliament might supplement the individual-level data.

Case Selection

Again I find a conflict here. On the one hand I am interested in individual-level mechanism. It would be nice to pin down some form of generalizable attribution processes and decision-making determinants that are comparable across countries. This would suggest implementing such panel studies using a very different design, showing that, no matter how different these countries are, we might be able to pin down a basic repertoire of how voters hold their politicians accountable in a system of multi-level governance. Potential countries for examination would be Spain and Germany. On the other hand, it would be naïve to assume that these individual-level mechanisms occur in an institutional vacuum. Moreover, there are always potential perils when analyzing election outcomes in isolation. In trying to get a handle on institutional variations that might have an impact (time-line of elections, electoral system, party system, constitutional design) I would rather opt for a most-similar design, focusing on some aspects while holding other features constant through the selection of cases. Potential countries for this study would be Germany and Austria.

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